

Chapter 5: Special Conditions

Chapter Overview

This chapter provides information about special conditions in retirement system reporting:

- Employing retirees (applies to all employers)
- Reporting deferred payments of employee compensation (applies to education employers reporting PERS, SERS or TRS members)
- Quarterly reporting to substitute teachers (applies to education employers reporting TRS members)
- Reporting in higher education (applies to higher education employers reporting PERS or TRS members)

Refer to Chapter 2 for information about the eligibility rules for membership in a Washington State retirement system.

Refer to Chapters 7 and 8 for instructions on how to complete your regular monthly transmittal reporting.

Special Conditions in Reporting

You may encounter special situations that will affect your reporting to DRS. For example, if you hire a retiree, different rules may apply to the retiree's eligibility for membership. If you have an employee who works for nine months but is paid over 12 months, you may need to take special steps to report the employee's compensation. If you hire a substitute teacher, you may need to provide a special quarterly report to the substitute.

This chapter provides information about some of the special conditions you may encounter in your reporting to DRS.

Need Help?

If you need help with your special reporting, please direct your questions as shown below. Telephone numbers may be found in Appendix A—1 in Chapter 13, “References.”

Employing Retirees

—Contact the retirement system from which the individual retired.

Reporting Deferred Payments of Employee Compensation

—Contact ESS.

Quarterly Reporting to Substitute Teachers

—Contact TRS Retirement Services.

Reporting in Higher Education

—For PERS members, contact PERS Retirement Services.

—For TRS members, contact TRS Retirement Services.

When the retiree quits working for you, complete another TRS Plan 1 “Retiree Returning to Work Report” form indicating the last day the retiree worked for you. See the following example.

System	Employer Name	Prepared By	Date	Phone	Page
P	Modernity, City of	Dawn Smith	09/10/99	555-123-4567	1
Retiree Information		Employment Information			
		Begin Date		End Date	Position Status
SSN: 666-00-3333 Name: Doe, John				08 25 99	On-Call X Contracted

Mail the completed form to:

Employer Support Services
 Department of Retirement Systems
 P. O. Box 48380
 Olympia, WA 98504-8380

If a retiree works in excess of the applicable post retirement restrictions and you failed to report the employment of the retiree, you will be liable for any pension overpayments made to the retiree. In addition, if you report wrong information that results in a retiree receiving a pension benefit that violates the retirement rules, you are liable for any resulting overpayment.

Note: Refer to DRS Notice 97-002 or 99-005 for more information about completing the “Retiree Returning to Work Report.”

A pamphlet is available from DRS entitled *Thinking about Working after Retirement?* which provides information to members about the effect of reemployment on retirement benefits. For copies of this pamphlet, please contact DRS Office Services.

Service and Disability Retirees

Most individuals retire on a service retirement. The individual's retirement benefit is based upon the number of years of eligible service in a retirement system. Some individuals retire on a disability retirement. An individual who becomes disabled as a result of an injury on the job may be eligible to retire on a duty disability. An individual who is disabled as a result of an illness or injury off the job may be eligible to retire on a non-duty disability.

When the term retiree is used on the following pages, it applies to both service and disability retirees unless otherwise noted. Disability retirees should be aware that they might lose their right to disability benefits by returning to employment. A disability retiree can be asked to undergo a medical examination at any time. If the medical examination shows the individual has recovered from the disability, the disability benefit may stop.

Disability retirees should contact the retirement system from which they retired for information about how returning to employment may affect their retirement benefit.

Retirees in PERS/SERS-Covered Positions

Note: All references to PERS apply to SERS.

The following is a summary of the special provisions to consider when hiring a retiree into a PERS position. For assistance in determining a retiree's eligibility for PERS membership, contact PERS Retirement Services.

- Any PERS member who terminates employment and applies for retirement but returns to work for a PERS-covered employer before his or her effective retirement date, will have his or her retirement nullified and the member must resume paying contributions.
- Any PERS or TRS retiree who returns to work for a PERS employer before being separated from employment for a full calendar month following his or her retirement date will have his or her retirement benefit reduced 5.5 percent for every eight hours worked to a maximum of 160 hours.